

William M. Gibbons TRUSTEE

LAW DEPARTMENT



RECORDATION NO. 0551 Filed & Recorded

NOV 3 1976 - 9 20 AM

(312) 435-7915

INTERSTATE COMMERCE COMMISSION

October 29, 1976

Interstate Commerce Commission  
Washington, D. C. 20423

Gentlemen:

Enclosed for recordation under the provisions of Section 20(c) of the Interstate Commerce Act, as amended, are six executed counterparts of Lease Agreement dated October 29, 1976.

The names and addresses of the parties are:

XTRA, Inc., Lessor  
150 Causeway  
Boston, Massachusetts 02114

William M. Gibbons, Trustee of the Property of  
Chicago, Rock Island and Pacific Railroad Company, Lessee  
139 West Van Buren Street  
Chicago, Illinois 60605

A general description of the railroad rolling stock covered by the Lease Agreement is:

30 boxcars bearing identification markings ROCK 532565 to 532594

The undersigned is an executive officer of William M. Gibbons, Trustee of the Property of Chicago, Rock Island and Pacific Railroad Company mentioned in the enclosed documents and has knowledge of the matters set forth therein.

Please return to me four executed counterparts of the Lease Agreement with the recording information stamped thereon.

Also enclosed is a check in the amount of \$50 covering the required recordation fee.

WILLIAM M. GIBBONS, Trustee of the  
Property of Chicago, Rock Island  
and Pacific Railroad Company, Lessee

By W. M. Gibbons  
General Solicitor

OLH:vf  
Enc.

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ICC Washington, D. C.

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OPERATION BR.

**Interstate Commerce Commission**  
Washington, D.C. 20423

11/3/76

OFFICE OF THE SECRETARY


William M. Gibbons, Trustee  
of the Property of Chicago  
Rock Island & Pacific RR. Co.  
139 West Van Buren Street  
Chicago, Illinois 60605

Dear

Sir:

The enclosed document(s) was recorded pursuant to the  
provisions of Section 20(c) of the Interstate Commerce Act,  
49 U.S.C. 20(c), on 11/3/76 at 9:20am ,  
and assigned recordation number(s) 8551

Sincerely yours,

  
Robert L. Oswald  
Secretary

Enclosure(s)

SE-30  
(5/76)

10/3 1976-9-24 AM

LEASE AGREEMENT

INTERSTATE COMMERCE COMMISSION

THIS LEASE OF RAILROAD EQUIPMENT dated October 29, 1976 between XTRA, Inc., a Corporation of the State of Massachusetts (Lessor), and William M. Gibbons, as Trustee of the property of Chicago, Rock Island, and Pacific Railroad Company, Debtor, and the successors of said Trustee, or of any of them (Lessee).

## W I T N E S S E T H :

WHEREAS, Lessor has agreed to purchase and Berwick Forge & Fabricating (Manufacturer) has agreed to manufacture 30 high roof boxcars as more fully described and set forth in Schedule A attached hereto and made a part hereof (said boxcars being hereinafter collectively called Cars and individually called a Car), and

WHEREAS, Lessee desires to lease all of the Cars or such lesser number thereof as are delivered and accepted in accordance with the provisions hereof; and

WHEREAS, the Cars are to be manufactured in accordance with the specifications and drawings in Exhibit A attached hereto and made a part hereof, which have been approved by Lessee, and

WHEREAS, the terms and provisions contained in this Lease constitute the only understanding, oral or written, between Lessor and Lessee relating to the Cars, and

WHEREAS, the aforesaid William M. Gibbons has been duly appointed Trustee of the property of Chicago, Rock Island, and Pacific Railroad Company (the Railroad) by order of the United States District Court for the Northern District of Illinois, in a proceeding under Section 7 of the Bankruptcy Act entitled "In the Matter of Chicago, Rock Island, and Pacific Railroad Company, Debtor," and said appointment has been duly ratified by an order of the Interstate Commerce Commission, and said Trustee has duly qualified as such and is now in possession of and operating the property of the Railroad pursuant to the provisions and directions contained in orders of said Court, and

WHEREAS, by an order of said Court dated August 27, 1976, the form and terms of this Lease were approved by said Court in substantially the present form hereof, and Lessee was duly authorized and directed to execute and deliver this Lease, and otherwise to make and carry out the covenants and agreements on his part herein contained; and

WHEREAS, Lessee represents that all acts and things necessary to make this Lease valid and binding upon Lessee have been done and performed;

NOW, THEREFORE, in consideration of the premises and of the rental to be paid and the covenants hereinafter mentioned to be kept and performed by Lessee, Lessor hereby leases the Cars to Lessee upon the following terms and conditions:

SECTION 1. DELIVERY AND ACCEPTANCE OF CARS. Each of the Cars shall be inspected by an authorized representative of Lessor and Lessee at Berwick Forge and Fabricating's (hereinafter referred to as "Manufacturer") plant at Berwick, Pennsylvania, and if such Car or Cars is in good order and condition and conforms to the Specifications of the Manufacturer and to all applicable Federal Railroad Administration requirements and all standards recommended by the Association of American Railroads, such representative shall execute and deliver to Manufacturer and to Lessor a Certificate of Inspection and Acceptance in the form as set forth in Exhibit B hereto. Execution of said Certificate of Inspection and Acceptance shall establish delivery of such car or cars to Lessee and shall commence Lessee's responsibility and obligations under this Lease. Lessee shall promptly after the execution of this Lease deliver to Lessor a certificate signed by the Trustee or such authorized representative of the Trustee setting forth the names and signatures of the persons authorized to execute and deliver Certificates of Inspection and Acceptance hereunder.

All arrangements necessary and expenses incurred in transporting and/or moving the cars from the manufacturer's plant at Berwick, Pennsylvania, shall be the sole responsibility and obligation of the Lessee.

At all times during the continuance of this Lease, title to the Cars shall be vested in Lessor to the exclusion of Lessee, and delivery of possession of the Cars to Lessee and Lessee's possession of the Cars shall constitute a leasehold interest only.

SECTION 2. TERM OF THE LEASE. The terms and conditions of the Lease (hereinafter called the "Term"), as to each Car shall commence on the date such car or cars is delivered to Lessee as provided for under Section 1 herein and, subject to the provisions of Sections 9, 10, and 12 hereof, shall terminate on the day thereafter called the "Termination Day") preceding the fifteenth anniversary of the Average Date of Acceptance, as hereinafter defined in this Section 2.

From and after the date of execution hereof until the expiration or termination of the Term as to any Car as set forth in this Section, this Lease shall not be subject to termination by Lessor except pursuant to Section 12 hereof upon the occurrence of an Event of Default, or by Lessee except pursuant to Section 10 hereof.

For the purposes of this Lease, the "Average Date of Acceptance" shall be the first day of the calendar month next succeeding a date determined as follows: the number of Cars accepted by Lessee on each date of acceptance on or prior to the cutoff date shall in each case be multiplied by the number of days elapsed subsequent to the date of the acceptance of the first Car accepted; the products so obtained shall be added together and divided by the total number of Cars accepted on or prior to the last date on which any of the Cars were accepted; and the quotient so obtained (rounded out to the nearest whole number) will be the number of days elapsed subsequent to the date of the acceptance of the first Car to and including the date which is the Average Date of Acceptance; provided, however, that the Average Date of Acceptance may be such other date as shall be agreed upon in writing by Lessor and Lessee.

SECTION 3. RENTALS. Lessee agrees to pay to Lessor, in cash, for the Term of this Lease rental for each of the Cars subject to this Lease at the monthly rate specified for such type of Cars on Exhibit C hereof. Such rental shall begin to accrue on the date on which such Car is delivered to Lessee hereunder and continuing during the period ending on the earlier day of (i) the "Termination Day" or (ii) the date, if any, on which this Lease shall terminate with respect to such Car pursuant to Section 10 or Section 12 hereof.

Lessee agrees to pay such rental to Lessor as follows: For the calendar month during which a Car is delivered and accepted, a daily pro rata rental rate for such car will be payable from the date of acceptance through the last day of that month on or before the 10th day of the following month and the rental for each succeeding month will be payable on the first business day of the calendar month in which the rental is to accrue.

Lessee will pay, to the extent legally enforceable, interest at the rate of 10% per annum upon rentals remaining unpaid after the same shall have become due and payable under any of the provisions of this Lease.

All payments to be made to Lessor shall be made at the Office of Lessor at 150 Causeway Street, Boston, Massachusetts 02114, or at such other place or places as shall be directed in writing by Lessor.

#### SECTION 4. COVENANTS, REPRESENTATIONS, AND WARRANTIES.

(a) Lessor represents and warrants that at the time a Car becomes subject to this Lease, Lessor will be the true and lawful owner thereof and that such Car will be free and clear of all liens and encumbrances of any nature whatsoever except only the rights of Lessee hereunder and of the holder of any chattel mortgage, conditional sale agreement or of the Trustee of an equipment trust or of the holder of any other lien created by the Lessor on such Cars and except for liens for taxes, assessments, or governmental charges or levies not yet due and delinquent or not yet subject to penalty for non-payment, or undetermined or inchoate material men's, mechanic's, workmen's, repairmen's, employees', or other like liens arising in the ordinary course of business and not delinquent (such liens being herein called "Permitted Liens").

(b) LESSOR, NOT BEING THE MANUFACTURER OF THE CARS, MAKES NO EXPRESSED OR IMPLIED WARRANTY whatsoever AS TO MERCHANTABILITY, FITNESS FOR ANY PURPOSE, OR OTHERWISE REGARDING THE CARS OR ANY UNIT THEREOF. However, Lessor authorizes Lessee to assert for Lessor's account, during the term of this Lease all of Lessor's rights under the warranties extended to Lessor by Manufacturer, as described in Exhibit D, attached hereto and made a part hereof, which have been approved, agreed to, and accepted by Lessee, as to the Cars, at Lessee's expense, and Lessee shall indemnify and hold harmless Lessor from and against any and all claims, and costs, expenses, damages, losses, and liabilities incurred and incident to any action by Lessee pursuant to the above authorization.

(c) Lessee hereby acknowledges that Lessor is about to or has created a security interest in the cars and this Lease Agreement in favor of the Chase Manhattan Bank N.A. (as Agent) and Lessee represents and warrants that it will comply with all reasonable future requests by Lessor to insure that said security interests are properly recorded and filed in such public offices deemed appropriate by Lessor.

(d) Lessee represents and warrants that:

(i) Lessee, William M. Gibbons, has been duly appointed as Trustee of the Property of the Railroad by an order of the United States District Court for the Northern District of Illinois; the appointment of said Trustee has been duly ratified by an order of the Interstate Commerce Commission; and said Trustee is duly vested with the title to the properties of the Railroad and has power and authority to carry on its business.

(ii) The execution and delivery of this Lease by Lessee and his assumption and undertaking of the obligations, duties, and liabilities hereof have been duly authorized by an order of said Court; and this Lease is legal, valid, binding, and enforceable against Lessee in accordance with its terms.

(iii) The rights of Lessor as herein set forth and the title of Lessor to the Cars are free and clear of the lien, charge, or security interest created by any mortgage, security agreement, or other instrument binding upon the Railroad or Lessee.

(iv) Except for the authorization by the United States District Court for the Northern District of Illinois of the execution and delivery of this Lease by the Lessee, no governmental authorizations, approvals, or exemptions are required for the execution and delivery of this Lease or for the validity and enforceability hereof or for the leasing of the Cars hereunder, for the rentals and on the other terms and conditions herein provided or if any such authorizations are required, they have been acquired and, if any such shall hereinafter be required, they will be promptly obtained.

(v) No litigation or administrative proceedings are pending or to the knowledge of Lessee are threatened against Lessee, the adverse determination of which would affect the validity of this Lease or the rights of Lessor hereunder.

(vi) Obligations to make rental and other payments under this Lease will constitute expenses of administration of Lessee, payable on a parity with other equipment obligations theretofore or thereafter assumed or incurred by Lessee; and, upon occurrence of an Event of Default under this Lease, any claim for damages will constitute an expense of administration.

(vii) Upon the occurrence of an Event of Default under this Lease, Lessor's title to the Cars or any right of Lessor to take possession of the Cars in compliance with the provisions herein are not effected or prohibited by the provisions of Section 77 of the Bankruptcy Act.

SECTION 5. OPINIONS OF COUNSEL. Concurrently with the delivery of Certificates of Inspection and Acceptance hereunder, Lessee will deliver to Lessor an opinion of O. L. Houts Counsel for Lessee, or an attorney designated by him, satisfactory to Lessor, to the effect that (i) Lessee, William M. Gibbons (or any successor or additional Trustees), has been duly appointed as Trustee of the property of the Railroad by an order of the United States District Court for the Northern District of Illinois; the appointment of said Trustee has been duly ratified by an order of the Interstate Commerce Commission; and said Trustee is duly vested with title to the properties of the Railroad and has the power and authority to carry on its business; (ii) the execution and delivery of this Lease by Lessee and his assumption and undertaking of the obligations, duties, and liabilities hereof have been duly authorized by an order of said Court; and this Lease is legal, valid, binding, and enforceable against Lessee in accordance with its terms; (iii) the rights of Lessor as herein set forth and the title of Lessor to the Cars are free and clear of the lien of any mortgage, security agreement, or other instrument binding upon the Railroad or Lessee; (iv) obligations to make rental and other payments under this Lease will constitute expenses of administration

of Lessee, payable on a parity with other equipment obligations theretofore or thereafter assumed or incurred by Lessee; and, upon occurrence of an Event of Default under this Lease, any claim for damages will constitute an expense of administration, and Lessor's title to the Cars or any right of Lessor to take possession of the cars in compliance with the provisions of this Lease are not effected or prohibited by the provisions of Section 77 of the Bankruptcy Act; (v) this Lease will promptly after its execution be filed and recorded in such public offices as are necessary for the full protection of the rights of Lessor in the United States of America; and (vi) no approval of the Interstate Commerce Commission or any other governmental authority (except the Court in the proceedings for the reorganization of the Railroad) is necessary for the execution and deliver of this Lease, or if any such approval is necessary (specifying the same), that it has been obtained.

SECTION 6. IDENTIFICATION STENCILS. Lessee shall place and maintain on each Car in letters not less than two inches in height, a notice conspicuously disclosing Lessor's ownership:

XTRA, Inc., Owner and Lessor  
Boston, Massachusetts

In case, during the continuance of this Lease, any such stencil shall at any time be painted over or otherwise made inconspicuous, removed, defaced, or destroyed on any Car, Lessee shall immediately cause the same to be restored or replaced. Lessee will not allow the name of any person, association, or corporation to be placed on any of the Cars as a designation which might be interpreted as indicating a claim of ownership thereof by any person, association, or corporation other than Lessor or its assignee; but the Cars may be lettered with the names or initials or other insignia customarily used by Lessee on equipment of the same or a similar type for convenience of identification of the rights to use and operate the Cars under this Lease.

SECTION 7. NUMBERING. On or prior to the time of delivery of each Car to Lessee, Lessee will instruct Manufacturer to cause to be placed on each of such Car the Manufacturer's Serial Number and on the side of such Car the Railroad's Road Number. At all times thereafter, during the continuance of this Lease, Lessee will cause each Car to bear the numbers so assigned to it, and Lessee will not change or permit to be changed, the numbers of any such Cars except in accordance with a statement of new numbers to be substituted therefor which previously shall have been filed with the Lessor by the Lessee and filed, recorded, or deposited in all public offices where this Lease will have been filed, recorded, or deposited.

SECTION 8. TAXES. Lessee agrees that, during the continuance of this Lease, in addition to the rentals herein provided, Lessee will promptly pay all taxes, assessments, and other governmental charges levied or assessed upon or in respect of the Cars or any thereof or upon the use or operation thereof or the earnings arising therefrom, if and to the extent that any such taxes, assessments, or other governmental charges may give rise to any lien upon the Cars or may become a claim entitled to priority over any of the rights of Lessor in and to the Cars and as additional rental will promptly pay or reimburse Lessor for all taxes, assessments, and other governmental charges levied or assessed against Lessor or any predecessor or successor in title of Lessor solely on account of ownership of the Cars or any thereof or on account of the use or operation thereof or on account of the earnings arising therefrom (exclusive, however, of any tax in the nature of an income tax on the net income from the rentals herein provided), including any sales, use, or similar taxes payable on account of the sale or delivery of the Cars by the Manufacturer to Lessor or the leasing of the Cars hereunder; but Lessee shall not be required to pay the same so long as he shall in good faith and by appropriate legal or

administrative proceedings contest the validity or amount thereof unless thereby, in the judgment of Lessor, the rights or interest of Lessor will be materially endangered, nor shall Lessee be required to make any tax payment which is deferred by order of a court having jurisdiction, provided that such deferment shall not subject the title and interest of Lessor in and to the Cars to any lien or encumbrance. In the event any tax reports are required to be made on the basis of individual Cars, Lessee will either make such reports in such manner as to show the ownership of such Cars by Lessor or will notify Lessor of such requirement and will make such report in such manner as shall be satisfactory to Lessor.

#### SECTION 9. MAINTENANCE, LIENS, AND INSURANCE.

(a) Lessee agrees, during the continuance of this Lease, at Lessee's own cost and expense to maintain and keep all of the Cars in good order and repair, ordinary wear and tear excepted, in accordance with standards prescribed by American Association of Railroads and Federal Railroad Administration in its applicable service manuals and maintenance instructions covering the respective Cars and that any replacement components shall be in accordance with the Specifications.

(b) Except for alterations or changes required by law, Lessee shall not, without the prior written approval of Lessor, effect any change in the design, construction, or body of the Cars or the components thereof installed in the Cars, or in the Specifications.

(c) Any parts installed or replacements made by Lessee upon any Cars shall be considered accessories to such Cars and title thereto shall be immediately vested in Lessor, without cost or expense to Lessor.

(d) Lessee shall pay or satisfy and discharge any and all sums claimed by any party which, if unpaid, might become a lien or a charge upon the Cars or entitled to priority over any of the rights of Lessor in and to the Cars, but Lessee shall not be required to discharge any such claim so long as he shall in good faith and by appropriate legal proceedings contest the validity thereof in any reasonable manner which, in the opinion of Lessor, will not affect or endanger the title and interest of Lessor in and to the Cars.

The Lessee will, at all times while this Lease is in effect, at his own expense, cause to be carried and maintained with a reputable insurer or insurers, property insurance in respect to the Cars at the time subject hereto, and public liability insurance, in amounts and against risks customarily insured against by Railroad companies in respect of similar equipment owned or operated by them and the benefits thereof shall be payable to Lessor and Lessee, as their interest may appear. Lessee will deliver certificates with respect to any insurance effected or in force in accordance with the provisions of this paragraph and will call such certificates to be endorsed so as to obligate the insurers therein under to notify Lessor at least thirty (30) days in advance of any pending cancellation or material modification. All insurance proceeds received by the Lessor in respect of any Car not suffering loss, theft, or destruction shall be paid to the Lessee upon proof satisfactory to the Lessor that any damage to such Car in respect of which such proceeds were paid has been fully repaired.

#### SECTION 10. LOSS, THEFT, OR DESTRUCTION OF CARS.

In the event any Car is lost or stolen or is destroyed or damaged beyond economic repair from any cause whatsoever, or shall be requisitioned, taken over, or nationalized by any governmental authority under the power of eminent domain or otherwise during the term of this Lease (except by a Reorganized Company, as hereinafter defined), and all of the obligations of Lessee hereunder are not assumed by such governmental authority within sixty (60) days after such nationalization, Lessee



shall promptly and fully inform Lessor of such occurrence and shall, within thirty (30) days after such occurrence, pay to Lessor, accrued rent and such claims as arise or exist under Sections 8 and 9 hereof, and the Stipulated Loss Value (as described in Exhibit E annexed hereto and made a part hereof) for such Car on the date the Lessee notifies Lessor of the occurrence.

In case upon the requisition, take over, or nationalization of any of the Cars as hereinbefore provided Lessee shall fail to make payment therefor to Lessor pursuant to this Section 10, Lessor shall be entitled to the full amount of any award or recovery from such occurrence and Lessee shall not be entitled to any part of such award or recovery as damages or otherwise, hereby expressly waiving any right or claim thereto.

This Lease shall continue in full force and effect irrespective of the cause, place, or extent of any damage, loss, destruction, requisition, take over, or nationalization of any of the Cars, the risk of which shall be borne by Lessee; provided, however, that this Lease shall terminate with respect to any Car which is lost, stolen, destroyed, or damaged beyond repair or requisitioned, taken over or nationalized on the date Lessor shall receive payment of the amount required to be paid to it on account of such Car under this Section 10.

SECTION 11. COMPLIANCE WITH LAWS AND RULES: INDEMNIFICATION. Lessee agrees to comply in all respects with all laws of the jurisdictions in which his operations involving the cars may extend and with all lawful rules of the Federal Railroad Administration and any other legislative, executive, administrative, or judicial body exercising any power or jurisdiction over Lessee or over the Cars, to the extent that such laws and rules affect the operation, maintenance, or use of the Cars. In the event such laws or rules require the alteration of the Cars, Lessee will conform therewith, at Lessee's expense, and will maintain the same in proper condition for operation under such laws and rules; provided, however, that Lessee may, in good faith, contest the validity and application of any such law or rule in any reasonable manner which does not, in the opinion of Lessor, adversely affect the property or rights of Lessor as owner hereunder.

(a) Lessee hereby agrees to indemnify, reimburse and hold Lessor harmless from any and all claims, demands, suits, judgments, or causes of action for or on account of injury to or death of persons, or loss or damage to property which may result from or grow in any manner out of the control, use, or operation of the Cars under this Lease whether or not in the possession of Lessee, provided, however, that Lessee does not assume liability in respect of the negligent actions of representatives or employees of the Manufacturer or Lessor, and provided, further, that Lessor will assign or pay over to Lessee any and all claims which it may have against third parties in respect of loss or damage to the Cars if Lessee is not in default under this Lease.

(b) If as to any Car Lessor shall not be entitled under any circumstances other than as set forth in Paragraph (d) below to any portion or all of the maximum investment credit presently allowable under the Internal Revenue Code of 1954, as amended, for new property with a useful life equivalent to the lesser of the depreciable life or the lease term set forth herein for such Car, or if at any time Lessor

shall lose, have recaptured or be deemed not to be entitled to any portion or all of said maximum investment credit on any Car under any circumstances other than as set forth in such Paragraph (d), then Lessee shall pay Lessor, upon demand, the sum of (1) the amount of said maximum investment credit which Lessor shall have so lost, had recaptured, or failed to receive; (2) the amount of any interest (net of any actual decrease in federal income tax caused by any allowable deduction of such interest from taxable income) or penalties, including any additions to tax because of underpayment of estimated tax, which may be assessed against Lessor in connection therewith; and (3) the amount of any taxes required to be paid by Lessor in respect of the receipt of amounts referred to in Clauses (1) and (2) above and the receipt of amounts pursuant to this Clause (3). If, at any subsequent time, Lessor shall be allowed any portion or all of said maximum investment credit which it lost, had recaptured or failed to receive at any time previous and for which payment had been made to Lessor by Lessee pursuant to this Paragraph (b), then, promptly after said allowance, Lessor shall pay Lessee the sum of (1) all amounts with respect thereto paid to Lessor by the federal government (including refunds of investment credit, interest, and penalties and any additional interest paid to Lessor by the federal government on such refunds) reduced by all taxes required to be paid by Lessor in respect of the receipt of such amounts from the federal government, and (ii) the amount of any taxes saved by Lessor in respect of the receipt of its payment to Lessee of amounts referred to in Clause (i) above and its payment to Lessee of amounts pursuant to this Clause (ii). Lessor agrees to use its best efforts to take the maximum investment credit to which it shall reasonably deem itself entitled with respect to the equipment on its federal income tax return for the earliest possible year for which it can be taken.

(c) If Lessor in computing its federal taxable income for any part of the lease term for any Car shall under any circumstances other than as set forth in Paragraph (d) below lose the benefit of or the right to claim or there shall be disallowed or recaptured all or any portion of depreciation deductions for federal income tax purposes for any Car based on depreciation of the cost of any Car over an allowable depreciation life to an allowable salvage value as permitted under the Internal Revenue Code, as amended therefor using any appropriate depreciation method which Lessor, in its complete discretion, may select, then Lessee shall pay Lessor, on each rent payment date during the remaining lease term of any Car, as additional rent hereunder, an amount which, after deduction of all taxes required to be paid by Lessor in respect of the receipt thereof, shall be sufficient to yield to Lessor the same return as would have been realized by Lessor in respect of this lease agreement if such loss, disallowance or recapture of depreciation deductions or the right to claim the same had not occurred, which amount shall, if subsequent circumstances require, be thereafter adjusted (or further appropriate adjustments shall be made in respect thereof) when and to the extent necessary so that Lessor's return shall be as aforesaid. In addition, Lessee shall also pay Lessor, upon demand, as additional rent hereunder, an amount which, after deduction of all taxes required to be paid by Lessor in respect of the receipt thereof, shall be equal to the amount of any interest (net of any actual decrease in federal income tax caused by any allowable deduction of such interest from taxable income) or penalties, including any additions to tax because of underpayment of estimated tax, which may be assessed against Lessor in connection with such loss, disallowance, or recapture of depreciation deductions or the right to claim the same.

(d) Lessee shall not be required to pay Lessor the amounts provided for in Paragraphs (b) and (c) above if the loss or disallowance of investment credit, and/or depreciation deductions, as the case may be, or the right to claim the same, shall result from the occurrence of any of the following events:

(i) Lessor shall fail to claim such investment credit or depreciation deductions in its income tax returns for the appropriate years or shall fail to follow the proper procedures in claiming such investment credit, and/or depreciation deductions and such failure to claim or follow such procedures, as the case may be, shall preclude Lessor from claiming such investment credit or depreciation deductions;

(ii) Lessor shall not have sufficient income to benefit from such investment credit or depreciation deductions;

(iii) Lessor shall, at any time when no event of default has occurred and is continuing, without the written consent of Lessee, voluntarily transfer legal title to (other than a transfer pursuant to Section (10) hereof), dispose of or reduce its interest in such Car(s) and such transfer, disposition or reduction in interest shall be the direct cause of such loss;

(iv) Lessor shall fail to take timely action in contesting a claim made by the Internal Revenue Service with respect to the disallowance of the investment credit or depreciation deductions and the failure to take such action in a timely manner shall preclude all rights to contest such claim.

(e) In the event a claim shall be made by the Internal Revenue Service which, if successful, would result in a loss of such investment credit or depreciation deductions under circumstances which would require Lessee to indemnify Lessor for such loss, Lessor hereby agrees to notify Lessee promptly of such claim, to forbear payment of the tax claimed for at least 30 days after giving such notice, to give to Lessee any relevant information requested by it relating to such claim which may be particularly within the knowledge of Lessor and, if Lessee shall, within 30 days after such notice, request that such claim be contested, to take such action in connection with contesting such claim as Lessee shall reasonably request in writing from time to time, but only if Lessee shall, contemporaneously with such initial request, have (i) made provision for Lessor's indemnification in a manner satisfactory to Lessor for any liability or loss which Lessor may from time to time incur as the result of contesting such claim and reimbursement for all costs and expenses, including (without limitation) reasonable legal fees and expenses, which Lessor may incur in connection with contesting such claim and (ii) furnished Lessor with an opinion of independent tax counsel, satisfactory to Lessor, to the effect that a meritorious defense exists to such claim; provided, however, that at any time after having received such request from Lessee, Lessor, at its sole option, may forego any and all administrative appeals, proceedings, hearings, and conferences with the Internal Revenue Service in respect of such claim and may, at its sole option, either pay the tax claimed and sue for a refund in the appropriate United States Court of Claims, as Lessor shall elect, or contest such claim in the United States Tax Court, considering, however, in good faith such request as Lessee shall make concerning the most appropriate forum in which to proceed.

SECTION 12. DEFAULT. The following shall be events of default hereunder:

- (a) Lessee does not make payment of any part of the rental or at the time provided in Section 3 hereof and such default shall continue for ten (10) days thereafter;
- (b) Lessee shall make or suffer any unauthorized assignment or transfer of this Lease or of possession of the Cars or any of them except for the requisitioning, taking over, or nationalizing described in Section 10 of this Lease and shall fail or refuse to cause such assignment or transfer to be cancelled by agreement of all parties having any interest therein and to recover possession of such Car or Cars within fifteen (15) days after written notice from Lessor to Lessee demanding such cancellation and recovery of possession;
- (c) Default shall be made in the observance or performance of any other of the covenants, conditions, and agreements on the part of Lessee contained herein except for what is provided for in Section (a) above and such default shall continue for fifteen (15) days after written notice from Lessor to Lessee specifying the default and demanding the same to be remedied;
- (d) Any material representation made by Lessee herein or hereunder or in any certificate or other instrument delivered under or pursuant to any provision hereof shall prove to have been false or incorrect in any material respect on the date as of which made;
- (e) The order dated August 27, 1976, of the United States District Court for the Northern District of Illinois in the pending proceedings for the reorganization of the Railroad, authorizing the execution and delivery of this Lease by Lessee and his undertaking of the obligations, duties, and liabilities hereof, shall be reversed, modified, amended, or superseded in any material respect which might adversely affect any of the rights, powers, privileges and remedies of the Lessor under this Lease or of the Agent as assignee of the Lessor's right, title, and interest in and under this Lease, and the order effecting such reversal, amendment, modification, or superseding of said order shall not have been vacated or set aside or stayed within sixty (60) days from the date of entry thereof;
- (f) A plan or reorganization of the Railroad is approved by the Court in the pending proceedings for the reorganization of the Railroad and said plan does not provide for the assumption by the Reorganized Company as hereinafter defined of each and every obligation of Lessee under this Lease in form and substance satisfactory to Lessor;
- (g) A petition for reorganization under Section 77 of the Bankruptcy Act, as now constituted or as said Section 77 may be hereafter amended, shall be filed by or against any Reorganized Company as hereinafter defined and all the obligations of Lessee under this Lease shall not have been duly assumed by a trustee or trustees appointed in such proceedings or otherwise given the same status as obligations assumed by such trustee or trustees within thirty (30) days after such appointment, if any, or sixty (60) days after such petition shall have been filed, whichever shall be earlier; or
- (h) Any proceedings shall be commenced by or against any Reorganized Company as hereinafter defined for any relief under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment of the indebtedness payable hereunder), and all the obligations of Lessee under this Lease shall not have been duly assumed by a trustee or trustees or receiver or receivers appointed for such

Reorganized Company or for its property in connection with any such proceedings or otherwise given the same status as obligations assumed by such a trustee or trustees or receiver or receivers, within thirty (30) days after such appointment, if any, or sixty (60) days after such proceedings shall have been commenced, whichever shall be earlier;

Upon the occurrence of any events of default by Lessee hereunder, Lessor shall (except to the extent otherwise required by law) be entitled to:

(1) Proceed by appropriate court action or actions, either at law or in equity, to enforce performance by Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; or

(2) By notice in writing to Lessee terminate this Lease, whereupon all right of Lessee to the use of the Cars shall absolutely cease and terminate as though this Lease had never been made, but Lessee shall remain liable as herein provided; and thereupon Lessee shall deliver possession of the Cars to Lessor in accordance with Section 16 hereof unless such delivery is impossible because the Cars or any portion thereof were requisitioned, taken over, or nationalized, as described in Section 10, and Lessor may by its agents enter upon the premises of Lessee or other premises where any of the Cars may be and take possession of all or any of such Cars (damages occasioned by such taking of possession are hereby expressly waived by Lessee) and thenceforth hold, possess, and enjoy the same free from any right of Lessee, or Lessee's successors or assigns, to use the Cars for any purpose whatsoever; but Lessor shall nevertheless have a right to recover from Lessee any and all amounts which under the terms of this Lease may be then due or which may become due and unpaid for the use of the Cars (including rentals accruing on the Cars after the date of default); and also to recover forthwith from Lessee (to the extent not recovered pursuant to the foregoing) the following: (i) as damages for loss of the bargain and not as a penalty a sum with respect to Cars where term has not expired, which represents the excess of the present worth at the time of such termination, of the aggregate of the rentals for the Cars which would otherwise have accrued hereunder from the date of such termination to the Termination Day of the then current term over the then present worth of the Fair Rental Value of such Cars for such period; plus interest on such excess at the rate of 10% per annum commencing on the date of such notice. Such present worths are to be computed in each case by discounting such rental payments at a rate of 9 1/4% per annum, compounded monthly from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated to the time of such termination, and (ii) any expenses incurred in the retaking, storage, repairing and lease, sale or other disposition, and reasonable attorneys' fees incurred by Lessor, plus an amount equal to accrued taxes and other amounts payable hereunder by Lessee with respect to the Cars, all costs, expenses, losses, and damages incurred or sustained by Lessor by reason of such default, at interest at the rate of 10% per annum on each of the foregoing items in this subparagraph (ii) and on all sums not paid when due under this Lease.

If on the date of such termination or repossession any Car is damaged, lost, stolen or destroyed, or subject to requisition, take over or nationalization by any governmental agency or is subject to any levy, seizure, assignment, application or sale for or by any creditor, Lessee shall also remain liable for payment of the amounts specified in Section 10 hereof.

The remedies in this Lease provided in favor of Lessor shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing at law or in equity. Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify any of the remedies herein provided, to the extent that such waiver is permitted by law. No delay or omission of Lessor in the exercise of any power or remedy given herein shall be deemed a waiver of such power or remedy. In the event that Lessor shall bring suit and be entitled to judgment hereunder, then Lessor shall be entitled to recover reasonable expenses, including attorneys' fees and the amount thereof shall be included in such judgment.

SECTION 13. POSSESSION AND USE OF THE CARS. Unless an Event of Default shall have occurred and be continuing, Lessee shall be entitled to the possession and use of the Cars in accordance with the terms of this Lease. Lessee shall not, without the prior written consent of Lessor, part with the possession or control of, or suffer or allow to pass out of his possession or control, any of the Cars, except that Lessee may permit the use thereof or any part thereof by other railroad companies in the usual interchange of traffic.

SECTION 14. ANNUAL REPORT. Lessee will furnish to Lessor on or before May 1 in each year commencing May 1, 1977, and on such other date or dates as Lessor may from time to time reasonably request, an accurate report certified by a duly authorized agent or officer of Lessee, stating as of recent date (not exceeding 90 days preceeding the date of such report) (a) The Manufacturer's Serial Numbers and the Railroad's Road Numbers of the Cars then subject to this Lease, (b) The Manufacturer's Serial Numbers and the Railroad's Road Numbers of all Cars that have become lost, destroyed, or irreparably damaged since the date of the previous report (or since the date hereof in the case of the first such report), (c) The Manufacturer's Serial Numbers and the Railroad's Road Numbers of all serviceable Cars, (d) That all Cars then subject to this Lease have been kept in good order and repair or, if such be the case, the Manufacturer's Serial Numbers and the Railroad's Road Numbers of all Cars then awaiting repairs or being repaired in accordance with Section 9 hereof, (e) That the stenciled name and numbers affixed to the Cars as the stenciled name and numbers affixed to the Cars as required by Section 6 hereof have remained and presently are affixed to each side of each Car, and such plates have not been painted over or otherwise made inconspicuous or defaced, and (f) That, to the best of his knowledge, no Event of Default, and no event which with the giving of notice and lapse of time, or the giving of notice or lapse of time, would constitute an Event of Default, has occurred during the year immediately preceding the date as of which such report is made, or, if any such Event of Default or other such event has occurred, specifying the same and the nature and the status thereof. Lessee will furnish copies of such reports to such persons as Lessor may from time to time designate in writing to Lessee. Lessor shall have the right, by its agents, to inspect the Cars and/or Lessee's records with respect thereto at reasonable times and places and upon reasonable notice during the continuance of this Lease or any extension thereof.

SECTION 15. ASSIGNMENT.

(a) All rights, benefits, and advantages of Lessor hereunder may be assigned, pledged, mortgaged, transferred, or otherwise disposed of, either in whole or in part, and/ or Lessor may assign, pledge, mortgage, transfer, or otherwise dispose of title to the Cars, with or without notice to Lessee. In the event of any such assignment, pledge, mortgage, transfer, or other disposition, this Lease and all of Lessee's rights under this Lease, and all rights of any person, firm, or corporation who claims or who may hereafter claim any rights under this Lease under or through Lessee, are hereby made subject and subordinate to the terms, covenants, and conditions of any chattel mortgages, security agreements, conditional sale agreements, and assignments, and/or equipment trust agreements covering the Cars or any of them heretofore or hereafter created and entered into by Lessor, its successors or assigns, and to all of the rights of any chattel mortgagee, secured party assignee, trustee, or other holder of the legal title to the Cars. Any assignment or transfer of Lessee's leasehold interest hereunder in the Cars and possession thereof permitted by this Section 15 that is made by Lessee, his successors or assigns, shall contain language which expressly makes such sublease subject to the subordination contained in this Subsection 15 (a). At the request of Lessor or any chattel mortgagee, secured party, assignee, trustee, or other holder of the legal title to the Cars, the Cars may be lettered or marked to identify the legal owner of the Cars at no expense to Lessee. If during the continuance of this Lease any such marking shall at any time be removed or become illegible, wholly or in part, Lessee shall immediately cause such marking to be restored or replaced, at Lessor's expense. No such assignment by Lessor shall subject any assignee to or relieve Lessor from any obligation of Lessor hereunder.

(b) Lessee, without the prior written consent of Lessor, shall not sell, assign, transfer, or encumber their leasehold interest under this Lease in any of the Cars or sublet any of the Cars, except that Lessee may assign and transfer their leasehold interest hereunder in the Cars and the possession thereof to any railroad which shall have assumed all of the obligations hereunder of Lessee and into or with which Lessee shall have merged or consolidated (except to the extent that the provisions of any mortgage now or hereafter created on any of the lines of railroad or Lessee or any other liens authorized by the Court in the proceedings for the reorganization of the Railroad may subject such leasehold interest to the lien thereof). Any assignment prohibited by this Section 15 shall be void.

(c) Nothing in this Section 15 shall be deemed to limit the right of Lessee to assign and transfer Lessee's leasehold interest hereunder in the Cars and the possession thereof to a Reorganized Company (as hereinafter defined), or to a governmental agency established to acquire railroad equipment provided that all the obligations then existing or to accrue of Lessee under this Lease shall be assumed as a general obligation by such Reorganized Company or governmental agency.

(d) After any assignment and transfer of Lessee's leasehold interest hereunder in the Cars and the possession thereof as above permitted nothing in this Section 15 shall be deemed to limit the right of the Reorganized Company (as hereinafter defined) as successor to Lessee, at any time further to assign and transfer their leasehold interest hereunder in the Cars and the possession thereof to any successor corporation which shall have assumed all of the obligations hereunder of Lessee and into or with which such Reorganized Company shall have merged or consolidated or which shall have acquired all or substantially all of the property of

such Reorganized Company; nor shall anything in this Section 15 be deemed to limit such successive assignments and transfers.

(e) The term "Reorganized Company" shall mean any corporation (which may be the Railroad) or governmental agency which acquires the greater portion of the lines of railroad comprised in the Railroad's estate upon termination of the trusteeship of the property of the Railroad, and thereafter shall include any successor which shall have become such in compliance with paragraph (d) of this Section 15.

(f) The term "Lessee" whenever used in this Lease means William M. Gibbons, Trustee of the property of the Railroad, as well as any successor or additional trustees of such property, before any assignment and transfer of Lessee's leasehold interest hereunder in the Cars and the possession thereof to a Reorganized Company as hereinbefore provided in this Section 15 and thereafter shall mean any Reorganized Company.

(g) The liabilities and obligations of said Trustee, William M. Gibbons, as well as of any such successor or additional trustees, under and in respect of this Lease, are the liabilities of such Trustee as trustee of the property of the Railroad, and not individually. Said Trustee and any successor or additional trustees shall not be relieved of his liabilities or obligations as such Trustee under or in respect of this Lease, except upon any assignment and transfer of Lessee's leasehold interest hereunder in the Cars and the possession thereof to a Reorganized Company as hereinbefore provided in this Section 15.

SECTION 16. RETURN OF CARS. Upon expiration of the term of this Lease, or if Lessor shall rightfully demand possession of the Cars pursuant to this Lease or otherwise, Lessee shall forthwith deliver the possession of the Cars to Lessor. For such purpose, Lessee shall, at his own cost and expense, forthwith assemble the Cars and place them upon such storage tracks of Lessee as Lessor may designate, or, in the absence of such designation, as Lessee may select, and Lessee shall permit Lessor to store said Cars on such tracks for a period not exceeding one-hundred (100) days from the date that all Cars are so assembled at the risk of Lessor, and shall at his own cost and expense transport or cause to be transported the same or any thereof, at any time within such one-hundred (100) day period to any place or places on the lines of railroad operated by him or to any connecting carrier for shipment, all as directed by Lessor. The assembling, delivery, storage, and transporting of the Cars as hereinabove provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises Lessor shall be entitled to a decree against Lessee so as to assemble, deliver, store, and transport the Cars.

SECTION 17. Without in any way limiting the obligation of Lessee under the foregoing provisions contained hereunder, Lessee hereby irrevocably appoints Lessor as the agent and attorney of Lessee, with full power and authority, at any time while Lessee is obligated to deliver possession of any Car to Lessor, to demand and take possession of such Car in the name and behalf of Lessee from whomsoever shall be at the time in possession of such Car.

Except as otherwise provided in Section 10 hereof, in the event that any Car or Cars subject to this Lease are not redelivered to Lessor on or before the date on which the term of this Lease expires, all of the obligations of Lessee under this Lease with respect to such Car or Cars shall remain in full force and effect until such Car or Cars are redelivered to Lessor.



SECTION 18. MODIFICATION OF LEASE. This Lease exclusively and completely states the rights of Lessor and Lessee with respect to the Cars. No modification, variation, termination, discharge, or abandonment hereof and no waiver of any of the provisions or conditions shall be valid unless in writing and signed by duly authorized representatives of Lessor and Lessee, or the successors, transferees or assigns of either, subject, however, to the limitations on assignment hereof by Lessee. No such variation, termination, discharge, or abandonment shall affect the rights and duties of Manufacturer, unless signed by a duly authorized officer of Manufacturer.

SECTION 19. SECTION HEADINGS AND CERTAIN REFERENCES. All section headings are inserted for convenience only and shall not affect any construction or interpretation of this Lease. Unless otherwise indicated, all references herein to sections, subsections, clauses, and other subdivisions refer to the corresponding sections, subsections, clauses, and other subdivisions of this Lease; the words "herein," "hereof," "hereby," "hereto," "hereunder," and words of similar import refer to this Lease as a whole and not to any particular section, subsection, clause, or other subdivision hereof, and reference to a numbered or lettered subdivision of a section shall include relevant matter within the section which is applicable to but not within such numbered or lettered subdivision.

SECTION 20. CERTAIN APPLICABLE LAWS. Any provision hereof prohibited by or unlawful or unenforceable under any applicable law or any jurisdiction shall as to such jurisdiction be ineffective without modifying the remaining provisions of this Lease. Where, however, the provisions of any such applicable law may be waived, they are hereby waived by Lessee to the full extent permitted by law, to the end that this Lease shall be deemed to be valid, binding agreement enforceable in accordance with its terms.

SECTION 21. 360 DAY YEAR. Computations hereunder involving the determination of interest or discount shall be made on the basis of a 360-day year of twelve 30-day months.

SECTION 22. NOTICES. All demands, notices, and other communications hereunder shall be in writing and shall be deemed to have been duly given when personally delivered or delivered to a United States post office, first-class postage prepaid, or to a telegraph office, charges prepaid, addressed as follows:

If to the Lessor:

Charles F. Kaye, President  
XTRA, Inc.  
150 Causeway Street  
Boston, Massachusetts 02114

If to the Lessee:

Trustee of the Property of  
Chicago, Rock Island, & Pacific Railroad

Attention: Ben Crume, Treasurer  
745 S. LaSalle Street  
Chicago, Illinois 60605

or to such other addresses as may hereafter be furnished in writing by either party to the other.

SECTION 23. GOVERNING LAW. The provisions of this Lease and all rights and obligations hereunder shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

SECTION 24. SURVIVAL OF COVENANTS. Any other provisions contained in this Lease to the contrary notwithstanding, it is hereby agreed that the provisions of Sections 8, 11, 12, 15, and 16 hereof shall survive the expiration or termination hereof.

SECTION 25. SUCCESSORS AND ASSIGNS. Subject to the provisions of Section 15, this Lease shall be binding upon and shall inure to the benefit of Lessor and Lessee and their respective successors and assigns, and no other persons shall have or acquire any right under or by virtue of this Lease.

SECTION 26. EXECUTION IN COUNTERPARTS. This Lease may be executed simultaneously in several counterparts, each of which so executed shall be deemed to be an original, and all such counterparts together shall constitute but one and the same instrument.

SECTION 27. RECORDING. Lessee, without expense to Lessor, will cause this Lease and all amendments, supplements, and assignments hereof or thereof, to be duly filed and recorded and re-filed and re-recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act, 49CFR, Part 116. Lessee will promptly furnish to Lessor certificates or other evidences of such filing and recording and re-filing and re-recording and an opinion satisfactory to Lessor of Counsel for Lessee, or an attorney designated by him satisfactory to Lessor, with respect thereto. In addition, Lessee shall do and perform all such other acts as may be required by law, or reasonably requested by Lessor, for the protection of Lessor's title to and interest in the Cars.

SECTION 28. OTHER EQUIPMENT LEASES AND SECURED OBLIGATIONS. Lessee agrees that, during the continuance of this Lease, Lessee will not assume or enter into any other leases of equipment, equipment trust agreements, conditional sale agreements, or other liabilities or obligations in connection with the leasing or financing of the acquisition of the rolling stock (i) If such liabilities or obligations would be entitled, directly or indirectly, to any priority in right of payment over the obligations of Lessee under this Lease or (ii) If such liabilities or obligations would be secured, directly or indirectly, by any mortgage, lien or other security interest in property of the Railroad or Lessee (except the rolling stock involved in the particular transaction) unless the obligations of Lessee under this Lease are equally and ratably secured thereby.

SECTION 29. This Lease is a net lease and the Lessee shall not be entitled to any abatement of rent, reduction thereof or set off against rent, including, but not limited to, abatements, reductions or set offs due or alleged to be due to, or by reason of, any past, present, or future claims involving this Lease or other dealings between Lessor and Lessee.

IN WITNESS WHEREOF, Lessor has caused this Lease to be executed in its corporate name, by one of its officers thereunto duly authorized, and a duly authorized representative of the Lessee has executed this Lease, all as of the 29th day of October, 1976.

XTRA, Inc.

By: Karl A. Voigt

Title: Exec. V.P.

AUTHORIZED REPRESENTATIVE OF

WILLIAM M. GIBBONS, TRUSTEE OF THE  
PROPERTY OF THE CHICAGO, ROCK ISLAND AND  
PACIFIC RAILROAD COMPANY, DEBTOR

By: John C. Burnett

Title: 1st. President

STATE OF ILLINOIS    )  
                              ) SS.  
COUNTY OF COOK        )

On this 29th day of October, 1976, before me personally appeared Karl Voth, to me personally known, who, being by me duly sworn, said that he is the Executive Vice President of XTRA, Inc., that said instrument was signed on behalf of said Corporation by authority of the foregoing instrument was the free act and deed of said Corporation.

Karl A Voth

Subscribed and sworn to before me  
this 29th day of October, 1976.

John H. Quinn  
Notary Public

My Commission Expires October 26, 1977.

STATE OF ILLINOIS    )  
                              ) SS.  
COUNTY OF COOK        )

On this 29th day of October, 1976, before me personally appeared John A. Burnett, to me personally known, who, being by me duly sworn, said that he is the authorized representative of William M. Gibbons, Trustee of the Property of Chicago, Rock Island and Pacific Railroad Company, Debtor, that the foregoing instrument was signed by him, and he acknowledges that the execution of the foregoing instrument was his own free act and deed.

John A. Burnett

Subscribed and sworn to before me  
this 29th day of October, 1976.

John H. Quinn  
Notary Public

My Commission Expires October 26, 1977.

SCHEDULE A

<u>Description and Serial Number</u>	<u>Specification Number and Date</u>	<u>Units</u>	<u>Railroad's Road Number</u>	<u>Unit Cost</u>	<u>Total</u>
60' 9" 70-ton high roof boxcars	C-76-0318-2 dated March 18, 1976	30	532565 532594	\$39,525.36	\$1,185,760.80

EXHIBIT A

BERWICK FORGE AND FABRICATING  
A DIVISION OF WHITTAKER CORP.  
BERWICK, PENNSYLVANIA 18603

SPECIFICATIONS  
FOR

(30) - 70-Ton, 60'-9" HIGH ROOF BOX CARS  
WITH OUTSIDE POSTS, 10'-0" SLIDING  
DOORS, INFLATABLE BULKHEADS, AND  
15" TRAVEL CUSHIONED UNDERFRAME

FOR  
R.I.

EST. C76-0318-2

BFF LOT 33700

CAR SERIES  
532565-532594 INCL.

JULY 12, 1976

REV. A - 5-21-76 -- PAGE 3  
REV. B - 6-15-76 -- PAGES 3,6,7,9,11-15,18  
REV. C - 6-29-76 -- PAGES 3,6,7,8,9,13,17.  
REV. D - 7-9-76 -- PAGES 1,3,4,7,9,10,11,12,13,14,15.

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1.00 GENERAL DESCRIPTION

1.01 This specification describes a 60'-9", 70 Ton High Roof Box Car, with 10'-0" Sliding Doors, Outside Posts, 15" Travel Cushioned Underframe, and 1/4" A-441 Flat Steel Floor capable of withstanding a lift truck axle load of 50,000#.

1.02 DIMENSIONS:

C"	Length over pulling face of couplers.....	67'-5-13/16"
C"	Length over strikers.....	62'-9-13/16"
B"	Length over end sills.....	60'-10"
	Length inside.....	60'-9"
	Truck centers.....	46'-3"
	Width, clear door opening.....	10'-0"
A"B"	Width over side sills.....	9'-7"
A"	Width, inside.....	9'-7"
B"	Height, inside.....	13'-0-1/4"
C"	Height, clear door opening.....	12'-7-7/8"
B"	Height, rail to top of floor.....	3'-6-1/16"
	Height, extreme.....	16'-9-15/16" Max.
	Wheel base.....	5'-8"
	Wheel diameter.....	33"
	Rail load limit.....	180,000#
	Light Weight (Est.).....	77,800#
B"	Cubic Capacity.....	7580 Cu. Ft.

1.03 CURVE NEGOTIABILITY:

150 Ft. radius horizontal curve uncoupled.  
214 Ft. radius horizontal curve coupled to AAR base car.

REV. A - 5-21-76  
REV. B - 6-15-76  
REV. C - 6-29-76

-4-

2.00 GENERAL SPECIFICATIONS AND DESIGN

This specification is intended to include everything requisite to properly build the car, notwithstanding that everything required may be mentioned.

2.01 CONSTRUCTION:

The cars shall be fabricated, assembled, and finished in a thoroughly workmanlike manner, according to the true intent and meaning of this specification. All steel parts shall be made to templates to assure interchangeability of parts and to facilitate assembly. Assemblies shall be fabricated in jigs to assure accuracy and uniformity. When completed, each car shall be complete in all respects and ready for service.

The underframe, sides, and corrugated ends shall be separate assemblies of welded construction joined together by means of lock bolts and the welding. Corrugated roof shall be joined to the sides and ends by means of lockbolts. All holes, for lock bolts and rivets, shall not be more than 1/16" larger in diameter than the nominal diameter of the fasteners.

2.02 WELDING:

All welding shall be done by the shielded metal arc method and shall be free of slag and thoroughly inspected before painting. Proper precautions shall be taken to prevent passage of weld current through wheels and roller bearing assemblies.

2.03 REFERENCES:

The car shall be designed and built to the latest revisions of AAR "Specifications for Design, Fabrication, and Construction of Freight Cars."

The limiting dimensions of each car shall be within G.E. Appliance diagram AAR Plate "F" except as shown on BFF car construction drawing.

The car shall comply with AAR Interchange Rules and the Department of Transportation Safety Appliance Regulations.

2.04 MATERIAL:

All shapes, plates, and bars described in this specification and forming part of the basic body structure shall conform to ASTM or AAR Specifications, unless otherwise specified.

All shapes, plates, and bars, 1/4" and less in thickness, shall be copper bearing steel.

All sheets described in this specification and forming part of the basic body structure shall conform to ASTM Specification A-570, Grade C, unless otherwise specified, and shall have a minimum copper content of 0.20%.

All bolts and nuts shall be A.S.A. regular, having American Standard coarse threads, unless otherwise specified.



Locknuts shall be elastic-insert prevailing-torque type steel hex locknuts per Industrial Fasteners Institute Specification IFI-100. Application of locknuts shall be considered as satisfactory where full thread engagement through the elastic insert has been achieved.

All lock bolts shall be comparable to ASTM Specification A-325, while all rivets shall conform to AAR Specification M-110.

Ladder stiles shall conform to ASTM Specification A-575, Grade M-1020. Handholds and sill steps shall conform to ASTM Specification A-576, Grade C-1015.

All lumber shall conform to AAR Specification M-907, latest revision.

2.05 INSPECTION:

Your Quality Control department or other representative shall have access to our plant during working hours for the purpose of inspecting these cars during construction.

2.06 TESTING:

The following tests shall be performed on one car:

- (1) Curve Test (150 Ft. radius, uncoupled)
- (2) "Golden Shoe" Test on brake system (performed on 3 cars).
- (3) Impact Test

All cars shall be water tested and the brake system shall be air tested.

2.07 TOLERANCES:

Unless otherwise specified, all tolerances shall be as specified in AAR "Specifications for Design, Fabrication, and Construction of Freight Cars".

3.00 UNDERFRAME

3.01 GENERAL:

The underframe shall be a built-up welded design conforming to AAR requirements for a 50,000# lift truck load and a rigid underframe.

The camber in the completed underframe as measured at the center of the underframe between the body bolsters shall be as follows:

A positive camber not exceeding 3/8" shall be acceptable in the center sill and side sill.

3.02 CENTER SILL:

The center sill shall consist of two (2) AAR Z's @ 41.2# sections conforming to ASTM Specification A-36. It shall extend from striker to striker with the edges of the top flanges continuously submerged-arc welded. The weld penetration shall conform to AAR Plate 525-H, latest revision. At the crossbearers and crossties suitable spreaders shall be applied.

3.03 BODY BOLSTERS:

Each body bolster shall be a built-up welded box section conforming to ASTM Specification A-572, Grade 50, Type 2. The top cover plate shall be 40" x 1/2", the bottom cover plate 24" x 1/2", and 7/16" thick webs.

The top cover plate shall extend continuously across the car. The attachment shall be made by welding.

The bottom cover plate shall extend continuously from side sill reinforcement to side sill reinforcement and shall be attached by welding.

3.04 CROSSBEARERS (FOUR PER CAR):

"C"

Each crossbearer shall consist of two (2) welded "I"-shaped sections, one on each side of the center sill, and having a top cover 8" x 1/2" bottom cover 8" x 3/8", ASTM A-572, grade 42, Type 2, and a #4 Ga. (.2242") web, ASTM A-570, Grade C.

"B"

The top cover plate of each crossbearer section shall extend between side sill reinforcements.

The bottom cover plate shall extend from side sill reinforcement to center sill, where a 6" x 1/2" ASTM A-572, Grade 42, Bottom tie shall be applied.

REV. B - 6-15-76

REV. C - 6-29-76

3.05 CROSSTIES: (12 - 8", 8 - 5")

Each cross tie shall be an 8" wide flange @ 10.0# conforming to ASTM Specification A-572, Grade 42, Type 2. Each shall be welded to the center sill web and to the side sill reinforcements web. Crossties adjacent to bolster are 5" wide flange @ 16.0#, ASTM A-36.

3.06 STRINGERS:

"B" There shall be six (6) 4" I @ 7.7# stringers on each side of the center sill, conforming to ASTM Specification A-441. Stringers shall extend between principal crossmembers and from bolster to end sill.

3.07 SIDE SILL REINFORCEMENT:

"B" Each side sill reinforcement shall be a 15" @ 33.9# channel section, ASTM A-572, Grade 42 material, extending from end sill to end sill.

The side sill reinforcement shall be coped out from bolster to end sill to provide for safety appliance application.

3.08 FLOOR:

"B" The flooring shall be 1/4" ASTM A-441 plate floor capable of withstanding a fork lift front axle load of 50,000#, secured to underframe members by welding.

3.09 BODY CENTER PLATES:

Each body center plate shall be forged, AAR contour design, with a 13-3/4" diameter bowl. Each center plate shall be secured to the center sill and the bolster bottom cover with suitable fasteners. Center plate bowl shall be hardened to 201-241 BHN.

3.10 BODY SIDE BEARINGS:

Each body side bearing shall be a drop forged, wedge shaped design conforming to AISI Specification C-1045. Each section shall be quenched and tempered to a minimum 248 Brinell.

3.11 JACKING PADS:

Cars may be jacked on the bolster bottom cover adjacent to side sill, where a 7/16" ASTM A-572, Grade 50, stiffener is welded between bolster webs.

3.12 STRIKER AND FRONT DRAFT LUGS:

Built-up weldments to suit end-of-car cushioning device.

C" 3.13 BOLSTER CENTER FILLER:

C" Built-Up Weldment.

3.14 FILLER BARS:

C" The filler bars shall be 4" x 1/2" extending longitudinally between principal crossmembers. There shall be two (2) sets of filler bars applied on the top of the center sill.

3.15 CENTER SILL TIES:

At crosstie and crossbearer locations 3" I @ 5.7# I-beam sections conforming to ASTM Specification A-36 shall be welded to center sill webs.

4.00 SUPERSTRUCTURE

4.01 GENERAL:

C" Each side shall be a welded design with exterior posts and shall be provided with one 12"-7-7/8" clear door opening height by 10'-0" clear door opening width. Door opening shall be centered on centerline of car.

The sides shall be assembled in jigs and when completed shall be straight and true.

4.02 SIDE SILL:

B" The side sill shall be a 3" x 2" x 1/4" angle ASTM Specification A-36.

4.03 SIDE SHEETS:

The side sheets, except as noted, shall be #11 Ga. steel, butt welded together and fused to each side post. The side sheet panels adjacent to the door post shall be #7 Ga. (3/16") steel. All material shall be ASTM A-570, Grade C. Weld beads are not to exceed 3/32" height.

4.04 SIDE POSTS:

Each side post shall be a 3/16" pressed hat section conforming to ASTM A-570, Grade C material.

4.05 SIDE PLATE:

The side plate shall be a 1/4" rollformed ZU section extending the full length of the car and conforming to ASTM Specification A-572, Grade 42.

4.06 ROOF CARLINES:

"C" Rolled angles, 2-1/2" x 2 x 1/4" shall be applied by welding in bulkhead track area. Seven(7) per car.

4.07 DOOR POSTS:

Each door post shall be a #4 Ga. (.2242") thick box section conforming to ASTM Specification A-570, Grade C.

4.08 DOORS:

Sliding doors, 10'-0" wide.

4.09 DOOR POST GUSSET:

A 3/8 door post gusset shall be provided at the door post and side sill reinforcement connection. Material shall be ASTM a-572, Grade 50.

4.10 CORNER POST:

Each corner post shall be a 4 Ga. (.2242") thick box section conforming to ASTM Specification A-570, Grade C.

4.11 ENDS:

The bottom end shall be 3/16" corrugated steel and the top shall be 5/32" corrugated steel per BFF standard design with 4" deep corrugations. All material shall conform to ASTM Specification A-572, Grade 50. End sections shall be welded together.

4.12 END SILL:

Each end sill shall be a 6" x 3-1/2" x 5/16" angle conforming to ASTM Specification A-36, lockbolted to steel ends.

4.13 END LINING:

Each end shall be lined with 3/16" flat plate conforming to ASTM Specification A-570, Grade C. It shall be attached by welding around the periphery and by intermediate slotwelds through the end lining to the corrugated end. Welds are to be smooth and free of splatter.

4.14 ROOF:

The roof structure shall be a riveted application consisting of 14 Ga. galvanized steel sheets and 12 Ga. galvanized steel seam caps, both of copper bearing material.

4.15 DEFECT CARD HOLDER (ONE PER CAR):

The defect card holder shall be L & N design applied to the car in accordance with AAR requirements.

4.16 ROUTE CARD HOLDERS (TWO PER CAR):

Route card holders shall be applied per AAR Manual, Page C-18.

4.17 PLACARD BOARDS (FOUR PER CAR):

Placard boards shall be applied per AAR Manual, Page C-18.

4.18. BULKHEADS:

Each car shall be equipped with one inflatable bulkhead having two movable faces. Bulkhead top and bottom tracks shall extend 11'0" each side of car centerline. Bottom track shall be cleanable type.

5.00 CUSHIONING AND COUPLERS

5.01 CUSHION UNIT: (FREIGHT MASTER MF-15):

The End-of-Car Cushion Units shall have 15" travel in buff, and shall conform to AAR Specification M-921.

5.02 COUPLERS:

B" The couplers shall be Grade E high tensile steel with a 31" shank, and conforming to AAR Catalog No. E68AHTe, having a 17-1/2" long wear plate.

5.03 COUPLER HEIGHT ADJUSTMENT:

The coupler height is adjustable at the coupler carrier by using varying thickness shims. 35" maximum.

5.04 COUPLER RELEASE RIGGING:

The coupler release rigging shall be bottom operating, suitable for 15" travel cushion device.

5.05 COUPLER CARRIER WEAR PLATES:

To suit End-of-Car- device.



6.00 TRUCKS

6.01 GENERAL:

Each truck shall meet all AAR requirements and conform to the following dimensions and capacities:

Gross rail load.....	180,000#
Light weight of trucks (est.).....	17,000#
Wheel base.....	5'-8"
Track gauge.....	4'-8½"

6.02 BOLSTERS:

The design of the truck bolsters shall be in accordance with AAR Specification M-202 for a 25½" truck height and with a 14" diameter center plate bowl, 5-hole side bearing pad on 50" centers, and suitable for 3-11/16" spring travel. The casting material shall conform to AAR Specification M-201, Grade "B". Continuous welded vertical wear ring and drop in loose horizontal wear liner shall be applied.

"B"

6.03 SIDE FRAMES:

The design of the side frames shall be in accordance with AAR Specification M-203 and shall be the narrow pedestal type. The casting material shall conform to AAR Specification M-201, Grade "B". The column wear plates shall be applied by welding and lockbolt.

6.04 AXLES:

The axles shall be AAR D-11 design, AAR Standard Raised Wheel Seat, having 6" x 11" journals for roller bearings, and conforming to AAR Specification M-101, latest revision, excluding all supplementary requirements.

6.05 WHEELS:

"B" The wheels shall be one wear wrought steel, 33" Class "C", and shall conform to AAR Specification M-107.

6.06 JOURNAL ROLLER BEARINGS:

The journal roller bearings shall be 6" x 11" with lubrication fittings for freight car service.

6.07 ROLLER BEARING ADAPTERS:

The roller bearing adapters shall be for 6" x 11" narrow pedestal

side frames and shall be pearlitic malleable iron confirming to  
"B" AAR Specification M-924, with hardened crowns and thrust shoulders.

6.08 SPRINGS:

The springs shall be AAR D-5 truck springs with 3-11/16" travel  
and shall conform to AAR Specification M-114. Spring group  
"B" shall consist of 7 outers, 0 inners, and 2 side springs.

6.09 TRUCK STABILIZER:

The truck stabilizer shall be Barber S-2-C, with single side springs.

6.10 SIDE BEARINGS:

Each side bearing shall be the single roller type.

6.11 CENTER PINS:

"C" Each center pin shall be 1-3/4" diameter, 15" long, and with one  
end tapered.

6.11 CENTER PLATE GREASE:

Each truck center plate shall be thoroughly cleaned and disc-type  
lubricant patties shall be applied immediately before car body is  
mounted on trucks.

"B" 6.13 ROLLER BEARING RETAINER KEYS:

None applied.

6.14 SIDE BEARING CLEARANCE:

To meet AAR Specification 1/4"  $\pm$  1/16".

REV. B - 6-15-76  
REV. C - 6-29-76

7.00 BRAKE SYSTEM

7.01 AIR BRAKES:

The air brakes shall be AB 1012 with an "ABD" control Valve. The details of the installation shall conform to Specification No. 2518, "Installation of Freight Car Brake Equipment".

Each car, prior to release, shall be air tested in accordance with "Single Car Testing Device Code of Tests," No. 5039-4, Supplement 1, as adopted by AAR.

7.02 BRAKING RATIO:

The brake levers shall be proportioned to produce a braking ratio complying with AAR requirements for high friction brake shoes.

7.03 BRAKE SHOES:

The brake shoes shall be a high friction, "2" composition type.

7.04 BRAKE SHOE KEYS:

The brake shoe keys shall be the self-locking type.

7.05 HAND BRAKE:

"B" The hand brake shall be an AAR approved vertical sheel, non-spin quick release type (AAR Model #66), with long release handle.

7.06 BELL CRANK:

The bell crank shall be an approved AAR #66.

7.07 BRAKE CHAINS:

All brake chains shall be 9/16" straight line "BBB" coil chains and shall be used as the horizontal connections from the push rod to the bell crank. End links are electric resistance welded.

7.08 BRAKE BEAMS:

The brake beams shall be AAR #24 unit type.

7.09 SLACK ADJUSTER:

The slack adjuster shall be an AAR approved, automatic double acting type.

7.10 BRAKE RIGGING:

All the body levers, rods, and pins shall be designed for 90 psi cylinder pressure.

7.11 BRAKE PIPE:

All the air brake piping, including the end nipples, shall be extra heavy conforming to AAR Specifications and ASTM Specification A-53.

7.12 PIPE CLAMPS:

All piping shall be secured to the underframe with "Wright" type pipe clamps on a maximum of 6'-0" centers.

7.13 PIPE FITTINGS:

"B" All the pipe fittings shall be socket welded flange type, except at end nipples which will be screw type.

7.14 TRUCK LEVERS AND LEVER CONNECTIONS:

Each truck lever shall be drop forged treated with a suitable connection under bolster. All holes for brake pins shall be drilled.

7.15 BRAKE PINS:

All brake pins shall be forged.

7.16 BADGE PLATE:

The badge plate shall be metal.

7.17 ANGLE COCK:

The angle cock shall be an AAR-approved Ball type.

7.18 BODY LEVERS:

Body levers to be carbon steel with a carbon content of 0.25 - 0.33 and 1" thick.

7.19 RETAINER VALVE:

Ball type.

8.00

SAFETY APPLIANCES

8.01 GENERAL:

All safety appliances, in regard to material and application, shall conform to the latest AAR and DOT requirements.

8.02 LADDERS:

On the sides, the corner post and the side post adjacent to the corner post shall act as ladder stiles.

On the ends, the ladder stiles shall be a 1-3/4" x 1-3/4" x 3/16" angle with 3/4" diameter ladder treads.

8.03 SILL STEPS:

There shall be one (1) sill step at each corner of the car. Each shall be formed from 2" x 1/2" steel bar and fastened to car body by lock bolts.

8.04 GRAB IRONS:

All grab irons shall be a minimum of 3/4" diameter.

8.05 END PLATFORM:

There shall be an AAR approved grated galvanized metal platform located at each end of the car, with four (4) supports.

9.00 PAINING AND STENCILING

9.01 SURFACE PREPARATION:

The underframe and interior sides and ends shall be chemically cleaned (solvent) to remove oil, dirt, and grease and wire brushed to remove loose mill scale and rust. Exterior sides and ends shall be gritblasted.

9.02 APPLICATION:

All paint shall be applied in even coats by air atomized paint spray equipment and shall be done in a workmanlike manner.

When two coats are applied, the first coat shall be thoroughly dry before the application of the second coat.

9.03 CAULKING:

The following location shall be caulked:

- |  |                |
|--|----------------|
| (1) Seam cap and roof sheet joints;                        | (TREMCO JS-78) |
| (2) Side plate and roof joints;                            | (TREMCO JS-78) |
| (3) Steel end and roof sheet joints;                       | (TREMCO JS-78) |
| (4) Side sheet and vertical toe of side sill joint;        | (VULKEM 616)   |
| (5) Door top retainer;                                     | (TREMCO JS-78) |
| (6) Joints at door threshold plate and periphery of floor; | (MORTELL #45)  |
| (7) Corner post flange at side sheet;                      | (MORALASTIC)   |

9.04 RIVETED AND WELDED JOINTS:

All riveted lap joints, except as noted otherwise, shall receive one coat of primer before riveting.

All welded joints shall not receive any primer prior to welding.

9.05 PRIMING:

One coat of zinc chromate primer shall be applied to the interior of the side posts.

One coat of zinc chromate primer shall be applied to the interior of the body bolster and draft gear pocket.

"C" The surfaces of the underframe shall receive one coat of zinc chromate primer.

The doors shall be purchased primed.

The interior sides and ends, including the doors, shall receive one coat of zinc chromate primer.

Exterior sides, ends, and underframe shall receive one coat of zinc chromate primer.

9.06 FINISH PAINTING:

B" The exterior sides and ends shall receive one or more coats of black freight car paint. The total dry film thickness shall be 3 mils minimum, including primer.

B" Interior sides and ends including doors shall receive one coat of non yellowing white.

B" The underframe and the underside of floor shall receive one coat of freight car black finish paint. Top of floor shall not be painted.

The roof shall be galvanized, not painted, except rivet heads shall receive brush coat of aluminum paint.

B" The brake cylinder, reservoir, "AB" valve, air brake pipe, brake levers and rods shall receive one coat of black freight car finish paint.

The end platforms shall be galvanized, not painted. Overspray from painting adjacent area shall not be objectionable.

B" The trucks shall receive a fog coat of black freight car finish paint, except wheels, springs, and axles.

9.07 ACI LABELS:

B" None applied.

9.08 STENCILING:

B" All stenciling shall be in accordance with AAR and customer requirements. Stencils shall be white paint on black background or black paint on white background.

9.09 MISCELLANEOUS MARKINGS:

Car number shall be steel stamped in  $\frac{1}{2}$ " numbers on web of center sill at BR corner of car, over inboard axle.



# CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD COMPANY

PURCHASING DEPARTMENT  
745 SOUTH LA SALLE STREET  
CHICAGO, ILLINOIS 60605

TELEPHONE: (312) 435-7300

OUR PURCHASE ORDER NUMBER MUST APPEAR ON  
ALL INVOICES, SHIPPING ORDERS, BILLS OF LADING  
AND PACKAGES. ALL CORRESPONDENCE SHOULD BE  
DIRECTED TO

C

DATE

JULY 8, 1976

J. J. EAGLE

TO:

• BERNICK FORCE & FABRICATING  
• P O BOX 183  
• WEST NINTH ST  
• BERNICK PA 15603

INDIVIDUAL INVOICES IN TRIPlicate TO BE RENDERED FOR EACH PARTIAL  
SHIPMENT MADE AGAINST THIS ORDER TO MANAGER DISBURSEMENTS  
715 SO LA SALLE STREET CHICAGO ILLINOIS 60605

VENDOR: PLEASE ENTER THIS ORDER SUBJECT TO ALL CONDITIONS, TERMS  
AND SPECIFICATIONS ON FACE AND REVERSE SIDE OF THIS SHEET

HIP TO:  
RISP PR. c/o

TO BE ADVISED LATER

THIS IS TO CERTIFY THAT THIS  
MATERIAL IS FOR USE AS ROLLING  
STOCK MOVING IN INTERSTATE  
COMMERCE AND EXEMPT FROM  
ILLINOIS RETAILERS' OCCUPATION  
TAX AND USE TAX

THIS IS TO CERTIFY THAT THIS  
MATERIAL IS INTENDED FOR TEM-  
PORARY STORAGE ONLY IN ILLINOIS  
AND IS EXEMPT FROM ILLINOIS  
USE TAX

VIA

REG. (Discarded from receiving date unless otherwise specified)  
SEE BELOW

FOB  
BERNICK, PA.

REG. NO.

9-30-76

ENDOR # 17078 LOCATION CODE

PURCHASE ORDER #

A-24261 RELEASE #

QUANTITY	UNIT	MATERIAL CODE NUMBER	DESCRIPTION AND PART NUMBER	% DISCOUNT
----------	------	----------------------	-----------------------------	------------

30	EA	20-991-24261	60' - 9" - 70 TON HIGH ROOF BOX CARS 10' - 0" SLIDING DOORS, INFLATABLE PULVERIZERS, 15' TRAVEL CUSHION UNDERFRAME IN ACCORDANCE WITH YOUR PROPOSAL DATED JUNE 2, 1976.	39,415.00 FIRM PER CAR
----	----	--------------	---	---------------------------

PRICE \$39,415.00 FIRM PER CAR

DELIVERY SEPTEMBER, 1976

CC: P. H. BANNER  
V. C. BOONE  
B. W. CRUME  
F. B. FINDLING  
O. L. HOUTS (3)  
N. C. MANOS  
N. D. SWAIN  
FILE 1465-1

CAR NUMBERS ROCK 532565 - 532594 INCLUSIVE

TERMS NET CASH IN ACCORDANCE WITH TERMS AND  
PROVISIONS OF LEASE DOCUMENTATION, AND  
CONTINGENCY CLAUSE.

FINANCING THIS ORDER IS SUBJECT TO ASSIGNMENT  
OR FINANCING UNDER SALE AGREEMENT,  
SECURITY AGREEMENT, FINANCE AGREEMENT, ETC.

SHEET 1 OF 2

OUR QUOTATION DATED

FORM 2161  
REV. 5/76

OUR MATERIAL CODE NUMBERS MUST BE SHOWN ON INVOICES

BE USED FOR

JOINT WITH

AFF NO	DIN	STATE	ACCOUNT		CLASS	COST CENTER	COST CODE	PURPOSE CODE	P. NO	AMOUNT	APPROVALS	DATE
			PRY	SUB								
767-074												

PURCHASE ORDER NUMBER A-24261

RELEASE \*

DATE

REQUESTED BY

DATE

EXTRA COPY





# CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD COMPANY

PURCHASING DEPARTMENT  
745 SOUTH LA SALLE STREET  
CHICAGO, ILLINOIS 60605  
TELEPHONE: (312) 435-7300

OUR PURCHASE ORDER NUMBER MUST APPEAR ON ALL INVOICES, SHIPPING MEMOS, BILLS OF LADING AND PACKAGES. ALL CORRESPONDENCE SHOULD BE DIRECTED TO:

J. J. NAGLE

☐ DATE **JULY 8, 1976**

TO:

• BERNICK FORGE & FABRICATING  
• P O BOX 133  
• WEST NINTH ST  
• BERNICK PA 15603

INDIVIDUAL INVOICES IN TRIPLICATE TO BE RENDERED FOR EACH PARTIAL SHIPMENT MADE AGAINST THIS ORDER TO MANAGER DISBURSEMENTS 745 SO. LA SALLE STREET, CHICAGO, ILLINOIS 60605

VENDOR, PLEASE ENTER THIS ORDER SUBJECT TO ALL CONDITIONS, TERMS AND SPECIFICATIONS ON FACE AND REVERSE SIDE OF THIS SHEET

SHIP TO:  
CRISP RR. c/o

TO BE ADVISED LATER

THIS IS TO CERTIFY THAT THIS MATERIAL IS FOR USE AS ROLLING STOCK MOVING IN INTERSTATE COMMERCE AND EXEMPT FROM ILLINOIS RETAILERS OCCUPATION TAX AND USE TAX.

THIS IS TO CERTIFY THAT THIS MATERIAL IS INTENDED FOR TEMPORARY STORAGE ONLY IN ILLINOIS AND IS EXEMPT FROM ILLINOIS USE TAX.

VIA

TAX STATUS

C

TERMS (Discounted price, carrying date unless otherwise specified)  
SEE BELOW

FOR  
BERNICK, PA.

REQ. NO.

9-20-75

VENDOR # **17078** LOCATION CODE

PURCHASE ORDER # **A-24261** RELEASE #

QUANTITY	UNIT	MATERIAL CODE NUMBER	DESCRIPTION AND PART NUMBER	IN ON HAND	PRICE
----------	------	----------------------	-----------------------------	------------	-------

CONTINGENCY "THIS ORDER AND THE ACQUISITION OF THE EQUIPMENT HEREUNDER IS CONTINGENT UPON WILLIAM M. GIBSONS, TRUSTEE OF THE PROPERTY OF CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD COMPANY BEING PROVIDED WITH A SATISFACTORY NET EQUIPMENT LEASE AND THE APPROVAL OF THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION, IN THE MATTER OF CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD COMPANY, DECTOR, NO. 75 B 2697."

CC: P. H. BANNER  
V. C. BOHNE  
B. W. CROWE  
F. E. FINKLING  
O. L. HUNTS (3)  
N. G. MANOS  
N. D. SWAIN  
FILE 1465-1

SHEET 2 OF 2

YOUR QUOTATION DATED \_\_\_\_\_

OUR MATERIAL CODE NUMBERS MUST BE SHOWN ON INVOICES

TO BE USED FOR

JOINT WITH

A. E. NO.	REV.	DATE	QUANTITY	UNIT	PRICE	AMOUNT	APPROVAL	DATE
767-074							<i>J. Nagle</i>	

PURCHASE ORDER NUMBER **A-24261**

RELEASE #

DATE

REQUESTED BY

DATE

EXTRA COPY

EXHIBIT B

CERTIFICATE OF INSPECTION AND ACCEPTANCE

TO: Berwick Forge & Fabricating  
P. O. Box 133  
West Ninth Street  
Berwick, Pennsylvania 13603

XTRA, Inc.  
150 Causeway Street  
Boston, Massachusetts 02114

I, William M. Gibbons, or my authorized representative hereby certify that I am the Trustee of Chicago, Rock Island and Pacific Railroad Company (the Railroad) and have been duly authorized to execute this Certificate on behalf of XTRA, Inc. (Purchaser) and the Trustee of the property of the Railroad (the Railroad Trustee) for delivery to Berwick Forge & Fabricating (Manufacturer) and to Purchaser pursuant to Section 1 of the Lease Agreement dated as of October 29, 1976 between the Railroad (as "Lessee") and Purchaser (as "Lessor").

I do further certify as follows:

- (i) The below described Boxcars were delivered by Manufacturer to the Railroad Trustee at Berwick, Pennsylvania on the indicated dates:

<u>Description</u>	<u>Quantity</u>	<u>Railroad's Serial Number</u>	<u>Date of Delivery</u>
--------------------	-----------------	-------------------------------------	-----------------------------

- (ii) The Cars have been inspected by duly appointed and authorized representatives of Purchaser and the Railroad Trustee at the plant of Manufacturer and again at the point of delivery hereinbefore specified in accordance with Section 1 of the Lease Agreement. Such inspections show (a) that the Cars are in good order and condition and conform to the Specifications referred to in the said Lease Agreement and to all applicable Federal Railroad Administration requirements and all standards recommended by the Association of American Railroads and (b) that there was plainly, distinctly and conspicuously placed upon each side of each Car a stencil on which plainly and conspicuously appear the following words in letters not less than two inches in height:

XTRA, Inc., Owner and Lessor  
Boston, Massachusetts

and that each Car was plainly and distinctly marked with the Railroad's Road Number set forth above with respect thereto.

- (iii) On the aforesaid dates of delivery the Cars were duly accepted by the undersigned on behalf of Purchaser and the Railroad Trustee as the Lessee thereof referred to in the Purchase Contract.

Dated:

D. L. Waite \_\_\_\_\_

EXHIBIT C

RENT PER CAR

Term (15 Years)

Monthly Rent/Car = \$480.90

Rent based on

40¢/day per \$1,000 of Value (original cost of the car)

or

\$480.90

EXHIBIT D

WARRANTY

The Builder (Berwick Forge & Fabricating) warrants that the units of the Equipment will be built in accordance with the requirements, specifications and standards recommended by the Association of American Railroads, interpreted as being applicable to railroad equipment of the character of the units being built, and warrants the Equipment will be free from defects in material (except as to specialties incorporated therein which were specified or supplied by the Railroad and not manufactured by the Builder) and workmanship under normal use and service. The Builder's obligation under this paragraph being limited to making good at its plant any part or parts supplied by the Builder of any unit of the Equipment which shall within one year after delivery of such unit to the Railroad, be returned to the Builder with transportation charges prepaid and which the Builder's examination shall disclose to its satisfaction to have been thus defective.

This warranty is expressly in lieu of all other warranties, expressed or implied, including any implied warranty of merchantability or fitness for a particular purpose, and of all other obligations or liabilities on the part of the Builder. The Builder neither assumes nor authorizes any person to assume for it any other liability in connection with the construction and delivery of the Equipment except as aforesaid.

XTRA, INC.  
150 Causeway Street  
Boston, Massachusetts 02114

EXHIBIT E  
STIPULATED LOSS VALUE

Whenever a car \_\_\_\_\_ is lost, stolen, or destroyed and the occurrence of such event has been made known to XTRA listed above, Lessee shall pay and XTRA shall accept compensation calculated by the following formula:

Valuation is the result of multiplying (Depreciated Value (A)) by the (Cost Factor for the year the Car \_\_\_\_\_ is lost, stolen, or destroyed (B)) and then dividing by the (Cost Factor for the year the Car \_\_\_\_\_ was built (C)). Thus, Valuation equals  $\frac{A \times B}{C}$ .

Depreciated Value is found in Table I with the corresponding Car \_\_\_\_\_ age, which for the purposes of this Agreement is the period of months beginning with the month shown on XTRA's Certificate of Origin and continuing and including the month the Car \_\_\_\_\_ is lost, stolen, or destroyed.

The aforementioned Cost Factors are based on the Wholesale Prices and Price Index, for Transportation Equipment, which is published by the Bureau of Labor Statistics, U.S. Department of Labor. This Index is a publication which provides an average annual Cost Factor for previously completed years and a monthly Cost Factor for previous months of a current, uncompleted year. Monthly Cost Factors are used to calculate the average annual Cost Factor.

In determining the Cost Factor for the year that a Car \_\_\_\_\_ is lost, stolen, or destroyed, the average annual Cost Factor will be used, except, however, that if the Car \_\_\_\_\_ is lost, stolen, or destroyed in a year for which an average annual Cost Factor is not yet available, then the most recent monthly Cost Factor available at the time that the car \_\_\_\_\_ was lost, stolen, or destroyed shall be used.

In determining the Cost Factor for the year that the Car \_\_\_\_\_ was built, the average annual Cost Factor will be used, except, however, that if the Car \_\_\_\_\_ was built in a year for which an average annual Cost Factor is not available, then the most recent monthly Cost Factor available at the time the Car \_\_\_\_\_ was lost, stolen, or destroyed shall be used. Cost factors for 1968 to present are found in Table II.

XTRA, INC.  
150 Causeway Street  
Boston, Massachusetts 02114

TABLE I

<u>AGE</u>	<u>DEPRECIATED VALUE</u>	<u>AGE</u>	<u>DEPRECIATED VALUE</u>
1 - 12 months	\$39,525.36	205 - 216	\$21,738.94
13 - 24	\$38,479.10	217 - 228	\$20,692.68
25 - 36	\$37,432.84	229 - 240	\$19,646.42
37 - 48	\$36,386.58	241 - 252	\$18,600.16
49 - 60	\$35,340.32	253 - 264	\$17,553.90
61 - 72	\$34,294.06	265 - 276	\$16,507.64
73 - 84	\$33,247.80	277 - 288	\$15,461.38
85 - 96	\$32,201.54	289 - 300	\$14,415.12
97 - 108	\$31,155.28	301 - 312	\$13,368.86
109 - 120	\$30,109.02	313 - 324	\$12,322.60
121 - 132	\$29,062.76	325 - 336	\$11,276.34
133 - 144	\$28,016.50	337 - 348	\$10,230.08
145 - 156	\$26,970.24	349 - 360	\$ 9,183.82
157 - 168	\$25,923.98	361 - 372	\$ 8,137.56
169 - 180	\$24,877.72	373 - 384	\$ 7,091.30
181 - 192	\$23,831.46	385 - 396	\$ 6,045.04
193 - 204	\$22,785.20	397 - 408	\$ 4,998.78
		thereafter	\$ 3,952.52

TABLE II

WHOLESALE PRICES AND PRICE INDEX  
Transportation Equipment  
Average Annual Cost Factors

1968	Base	100
1969		104.8
1970		108.7
1971		114.7
1972		118.0
1973		123.0
1974		125.5
1975		141.5
1976 (July)		149.2